

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	: CRIMINAL NO. _____
	: DATE FILED: _____
v.	: VIOLATIONS:
KIN WING LEUNG	26 U.S.C. § 7206(2) (Aiding and assisting
a/k/a “Wing”	: the preparation of a false tax return - 4
	counts)

INDICTMENT

THE GRAND JURY CHARGES THAT:

INTRODUCTION

At all times material in this Indictment:

1. Defendant KIN WING LEUNG operated and managed three garment sewing businesses from 910 Cherry Street, Philadelphia, Pennsylvania, namely Wing’s Fashion, Inc. (“Wing’s Fashion”), Kinny Women Fashion, Inc. (“Kinny”), and Jason Fashion, Inc. (“Jason Fashion”).

a. Defendant KIN WING LEUNG was President and the owner of Wing’s Fashion, Inc. (Wing’s Fashion), a Pennsylvania corporation, which LEUNG operated as a garment sewing business from 910 Cherry Street, Philadelphia, PA.

b. Defendant KIN WING LEUNG operated Wing’s Fashion from the above 910 Cherry Street location until in or about late 1998, at which time the name of the corporation was changed to Kinny Women Fashion, Inc. (Kinny) and ownership was placed in the name of another individual, known to the grand jury. Although operations

were transferred to Kinny, LEUNG managed the business, along with the other individual known to the grand jury, from approximately 1999 through 2000, at which time Kinny ceased operating.

c. Defendant KIN WING LEUNG was Corporate Secretary of Jason Fashion, Inc. (Jason Fashion), a garment sewing business incorporated in Pennsylvania in or about January 2001 and located at 910 Cherry Street, Philadelphia, PA. LEUNG's wife was President of Jason Fashion. Defendant KIN WING LEUNG operated Jason Fashion, along with his wife, from the 910 Cherry Street location during calendar year 2001.

2. Wing's Fashion, Kinny and Jason Fashion provided services as apparel sewing sub-contractors to various clothing manufacturers in the Philadelphia region and elsewhere, and received payment for these services, primarily in the form of checks.

3. Although defendant KIN WING LEUNG transferred actual sewing operations at 910 Cherry Street to Kinny in 1999 and 2000, LEUNG continued to receive and accept payments from certain customers in the form of checks payable to Wing's Fashion during calendar years 1999 and 2000 at 910 Cherry Street, Philadelphia, Pennsylvania.

4. Defendant KIN WING LEUNG used check cashing agencies in Philadelphia and New York City to cash checks made payable to Wing's Fashion from certain customers during calendar years 1998, 1999 and 2000, totaling approximately \$298,757. These cash receipts were not deposited into the corporate bank account of Wing's Fashion and were not otherwise recorded on the books of the company as business receipts.

5. Defendant KIN WING LEUNG also used check cashing agencies in

Philadelphia and New York City to cash checks made payable to Jason Fashion during calendar year 2001. Certain customer checks payable to Jason Fashion were also deposited into a separate bank account set up at the Asian Bank in Philadelphia, PA. During calendar year 2001, the cash receipts from check cashers and customer checks diverted into the Asian Bank totaled approximately \$510,633.00.

6. Defendant KIN WING LEUNG did not report or otherwise disclose the above business receipts - a total sum of approximately \$809,390 - to the tax return preparer who prepared and completed the corporate tax returns for Wing's Fashion for calendar years 1998, 1999 and 2000 and Jason Fashion for calendar year 2001.

COUNT ONE

THE GRAND JURY CHARGES THAT:

1. Paragraphs 1 through 6 of the Introduction are realleged here.
2. On or about March 19, 1999, in the Eastern District of Pennsylvania,

defendant

**KIN WING LEUNG,
a/k/a “Wing,”**

a resident of Bensalem, Pennsylvania, willfully aided and assisted in, and procured, counseled and advised the preparation and the presentation to the Internal Revenue Service of a United States Corporation Income Tax Return, Form 1120 for Wing’s Fashion Inc., for the calendar year 1998, which was false and fraudulent as to a material matter, in that the tax return falsely reported that Wing’s Fashion, Inc., had gross receipts/sales of \$675,344 (line 1a), when in fact, as defendant KIN WING LEUNG well knew, Wing’s Fashion, Inc. had gross receipts/sales in addition to that stated, that is, a total of approximately \$137,469.

In violation of Title 26, United States Code, Section 7206(2).

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 6 of the Introduction are realleged here.
2. On or about April 17, 2000, in the Eastern District of Pennsylvania, defendant

**KIN WING LEUNG,
a/k/a “Wing,”**

a resident of Bensalem, Pennsylvania, willfully aided and assisted in, and procured, counseled and advised the preparation and the presentation to the Internal Revenue Service of a United States Corporation Income Tax Return, Form 1120 for Wing’s Fashion, Inc., for calendar year 1999, which was false and fraudulent as to a material matter, in that the tax return falsely reported that Wing’s Fashion, Inc. had gross receipts/sales of \$23,213 (line 1a), when in fact, as defendant KIN WING LEUNG well knew, Wing’s Fashion, Inc. had gross receipts/sales in addition to that stated, that is, a total of approximately \$78,349.

In violation of Title 26, United States Code, Section 7206(2).

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 6 of the Introduction are realleged here.
2. On or about April 19, 2001, in the Eastern District of Pennsylvania, defendant

**KIN WING LEUNG,
a/k/a “Wing,”**

a resident of Bensalem, Pennsylvania, willfully aided and assisted in, and procured, counseled and advised the preparation and the presentation to the Internal Revenue Service of a United States Corporation Income Tax Return, Form 1120 for Wing’s Fashion, Inc., for calendar year 2000, which was false and fraudulent as to a material matter, in that the tax return falsely reported that Wing’s Fashion, Inc. had gross receipts/sales of zero (line 1a), when in fact, as defendant KIN WING LEUNG well knew, Wing’s Fashion, Inc. had gross receipts/sales in addition to that stated, that is, a total of approximately \$82,938.

In violation of Title 26, United States Code, Section 7206(2).

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 6 of the Introduction are realleged here.
2. On or about February 27, 2003, in the Eastern District of Pennsylvania, defendant

**KIN WING LEUNG,
a/k/a "Wing,"**

a resident of Bensalem, Pennsylvania, willfully aided and assisted in, and procured, counseled and advised the preparation and the presentation to the Internal Revenue Service of a United States Corporation Income Tax Return, Form 1120 for Jason Fashion, Inc., for calendar year 2001, which was false and fraudulent as to a material matter, in that the tax return falsely reported that Jason Fashion, Inc. had gross receipts/sales of \$147,236 (line 1a), when in fact, as defendant KIN WING LEUNG well knew, Jason Fashion, Inc. had gross receipts/sales in addition to that stated, that is, a total of approximately \$510,633.

In violation of Title 26, United States Code, Section 7206(2).

A TRUE BILL:

FOREPERSON

PATRICK L. MEEHAN
United States Attorney